

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF  
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN  
OF THE CITY OF MIAMI BEACH  
February 2, 2010

Chairman Boyd called the meeting to order at 10:05 a.m.

Board Members present were as follows:

James Boyd	Jose Cruz	Hilda Fernandez
Jorge Gomez	Warren Green	Reinaldo Horday
Richard McKinnon	Jonathan Sinkes	Patricia Walker

Members absent -

Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Bill Cottle	Fund Consultant
Bart McMurry	Investment Manager, ICC
Norman Meltz	Investment Manager, Rhumblin
D. Schwartzenberger	Investment Manager, WHV
Benita Argos	Vested terminated member
Denis Larramendi	Disability applicant

CONSENT AGENDA

A motion was made by Mr. Gomez duly seconded by Mr. McKinnon, and unanimously

RESOLVED That the Consent Agenda be approved as presented.

CONSENT AGENDA

C-1 The Minutes of the January 12, 2010 Board Meeting were approved as presented.

C-2 New Members were approved as follows -

NEW MEMBERS

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>	<u>APPOINTMENT</u>
Argel Bowman	19517	Housing Spec.	Unc	01/04/2010	
Melvin Williams	19410	MSW II	afscme	03/30/2009	10/01/2009
Phillip Knowles	19469	Park Oper. Super	GSA	06/15/2009	12/17/2009

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C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Valencia Abner	12/01/2004	Ordinary Service Ret. (Dormant)	**\$3,011.31

\*\*retroactive to 12/1/2004. retro pmt. - \$178,278.57  
\$2,728.08 Original

C-4 New Pensioner Allowances were approved as follows - (None)

C-5 Requests for Lump Sum Refunds were approved as follows -  
(None)

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows-

<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>CASH USED</u>	<u>LEAVE AMOUNT</u>
Alvaro Garcia	01/26/2010	1.74	304.90	\$ 0.00	7,920.20

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>NAME</u>	<u>PRIVATE SECTOR</u>	<u>YCS PURCHASED</u>	<u>Signed Sworn Statement</u>
Jimmy McMillion	X	2.0	2.0
Rosa Fernandez	X	2.0	2.0
Martin Karleskey	X	2.0	2.0

C-9 DROP applicants were approved as follows -

<u>Name</u>	<u>Effective Retirement</u>	<u>Estimated Monthly Benefit Calculation</u>	<u>Last DROP Deposit</u>
Cesar Mayorga	02/01/2010	\$3,915.00	01/01/2013
Jose Laboy	02/01/2010	\$2,000.00	01/01/2013
Roberto Suarez	02/01/2010	\$3,900.00	01/01/2013

C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -

<u>Name</u>	<u>Date of Check</u>	<u>Voucher</u>	<u>Check Amount</u>	<u>IRS Tax Payment</u>	<u>Tax Payment Date</u>
Cesar Carrasco	01/14/2010	111685	\$ 1,777.78	\$ 444.44	01/15/2010
Arturo Martin	01/15/2010	111686	\$ 11,687.77	\$2,921.94	01/15/2010
Kimberly Lake (IRA)	01/15/2010	111687	\$ 463.91	\$0.00	12/21/2009

C-11 The Financial Reports were approved as presented.

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C-12 Requests for Payment were approved as presented.

Feb-10

Steve Cypen- Legal Services

Legal services rendered for the month of February 2010 \$ 4,500.00

Joan Wall- Bookkeeping

services rendered for the month of February 2010 \$ 350.00

GRS- Actuary Fee

Preparation Actuarial Valuation Report \$ 2,561.00

Goldstein Schechter Koch- Auditor

Progress bill for audit services FY 2009 \$ 12,000.00

Fiduciary Trust Int'l- Custodian Bank

Quarterly Fees 12/31/09 \$ 6,772.35

Rhumbile Advisers- Investment Mgmt. Fees

Quarterly Fees 12/31/09 per inv# 43ZC22 \$ 16,464.71

CMB Central Services- Postage & Printing

For the month of Dec. per inv.# 00014921 \$ 1,001.23

CMB Information Technology- Computer & Phone Use

For the month of Jan. 2010 per inv.# 00014992 \$ 3,329.34

Arcadia Medical Center- medical exam

Medical records for Wayne Nowell \$ 5.00

Comit Courier Corp.- Printing & Postage

Couier services for credit union checks \$ 36.32

Frank Fuentes. MD. PA.

Medical exam for disability applicant G. Witowski \$ 275.00

FPPTA- Conf. & Edu.

Registration fees for Richard McKinnon \$ 400.00

Hyatt Regency- Conf. & Edu.

Hotel reservations for McKinnon for FPPTA \$ 816.00

FPPTA- Conf. & Edu.

Registration fees for Hilda Fernandez \$ 400.00

Hyatt Regency- Conf. & Edu.

Hotel reservations for Fernandez for FPPTA \$ 358.00

US Postmaster - Postage dues

For mailing of 1099r's & retiree newsletter \$ 898.92

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REGULAR AGENDA

The Administrator requested the addition of New Item R-2(G) IRS 415 Memo from GRS & New Item R-2(H) request to increase monthly bookkeeping fee to \$350 from Joan Wall.

A motion was made by Ms. Fernandez, duly seconded by Mr. Gomez, and unanimously

RESOLVED That New Item R-2(G) & New Item R-2(H) be added to the Regular Agenda as presented.

R-1 Deferred Items - (None)

R-2 New Items

A. Informal Disability hearing for employee Denis Larramendi - The Board reviewed Mr. Larramendi's non-service disability application. Mr. Larramendi was advised that his non-service disability retirement would be the same amount as an ordinary retirement due to his age, years of service and the language in the pension ordinance.

A motion was made by Mr. McKinnon, duly seconded by Mr. Horday, and unanimously

RESOLVED That employee Denis Larramendi be granted a non-service connected disability on the basis that the disability is permanent and total.

B. Benita Argos Disability applicant - Ms. Argos was in attendance and did not address the Board at this meeting.

C. Active service death by Maria Arevalo, widow of Jorge Arevalo - The Board approved Ms. Arevalo's survivor's benefit for the estimated amount of \$422.75 gross monthly. The Administrator explained that because Mr. Arevalo was an unclassified employee and not a classified employee, she did not qualify for a minimum floor pensioner's benefit of 30% of his FAME as described in the ordinance. Ms. Arevalo addressed the Board requesting a change in the ordinance to mirror that of a classified employee's active service death. The Board advised Ms. Arevalo that they could not make changes to the pension ordinance only the City Commission could. The Administrator was instructed to contact the City Administration and make them aware of this matter.

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- D. Partial Lump Sum Distribution by Michael Pearl, Retired Member - Mr. Pearl said that when he retired in January 2000 the 25% partial lump sum distribution was not an option. He said that the lump sum option was enacted in March 2006 with the creation of MBERP. He requested from the Board that all retirees that retired prior to March 2006 be given a one time opportunity to select a partial lump sum distribution. The Board advised Mr. Pearl that it could not amend the pension ordinance only the City Commission could. He was advised to contact the City Commission and/or the City Administration on this matter.
- E. Financial Statements FYE September 30, 2009 - by Goldstein, Schechter, Koch CPA's - Mr. Clement John, manager, made the annual audit presentation to the Board. He provided the Board with a draft copy of the financial statements. He went over the unqualified opinion as well as the management discussion and analysis and financial statements of the Audit report dated September 30, 2009. Mr. Cruz requested that an explanation be provided as a footnote regarding the city's contribution in the amount of approximately \$17MM. Mr. Cruz said that this was a pre-payment of the City's required employer contribution received by the Plan one (1) day early and was reflected as a liability on the financial statements. Mr. John said he would provide an explanation on this matter on the financial statements.

A motion was made by Mr. Green, duly seconded by Mr. Cruz, and unanimously

RESOLVED                      That the Miami Beach Employees' Retirement Plan's Financial Statements dated September 30, 2009 be approved as presented with an additional financial footnote explaining the City's employer contribution.

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- F. Mandatory Direct Deposit for Retirees - The Board discussed adopting a board policy to make direct deposit mandatory for all retirees. Mr. Cypen said that direct deposit could not be mandatory for existing retirees but could be implemented for new retirees going forward. He said that current retirees could be strongly encouraged to change to a monthly direct deposit of their retirement benefit. The Administrator said that he would send a letter to all current retirees receiving a retirement check encouraging them to make a change to direct deposit.

A motion was made by Ms. Fernandez, duly seconded by Mr. Gomez, and unanimously

RESOLVED That direct deposit of a retiree's benefit be mandatory for all retirement applications submitted after March 1, 2010.

- G. IRS 415 Limits Memo from GRS - Mr. Cypen reviewed the letter dated January 26, 2010 from Steve Palmquist, Actuary of the Plan, regarding the updated IRS code sec. 415 tables. The Administrator said that after comparing the actual amounts that were paid by each Plan, the aggregate difference resulted in the City owing the Plan since 2006 for excess benefit payments made by the Plan on behalf of the City. The Administrator was instructed to meet with Ms. Walker, CFO of the City, and share this information. He was also instructed to contact Steve Palmquist to discuss possible payment/compliance alternatives and report on this matter next month during the annual valuation presentation.

- H. Joan Wall Bookkeeper increase to \$350 monthly - The Board reviewed a letter from Joan Wall, the Fund's bookkeeper, requesting a monthly increase on her fee arrangement from \$300 to \$350. Ms. Wall provided some facts and figures and stated she had not requested an increase since 2002.

A motion was made by Mr. Sinkes, duly seconded by Mr. McKinnon, and unanimously

RESOLVED That Joan Wall, bookkeeper for the Fund, be granted a monthly increase of \$50 for a total of \$350.

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R-3 Other Business

- A. Administrator's Report - Mr. Cypen advised the Board that the Retirement System, the Class Representative and one of the lead plaintiffs, had been victorious in the Vivendi jury trial. He said that the award could be as high as \$9.3 billion. He said that Vivendi, the defendant, was expected to appeal the verdict and that a possible payout was still at least a year away. The Administrator was instructed to notify the City Manager of the verdict and the Fund's vital role.

The Administrator said he had copies of approximately \$300 in fees from retirees with regards to last month's clerical error resulting in returned checks. He said that the Assistant Administrator had exhausted all avenues in trying to obtain refunds for these retirees from their own banks. He requested, on behalf of those retirees, a reimbursement of their overdraft fees. A discussion ensued.

A motion was made by Ms. Fernandez, duly seconded by Mr. McKinnon, and unanimously

RESOLVED                      That the Administration be authorized to pay all overdraft fees to date relating to the positive pay issue not to exceed \$500.

R-4 Quarterly Investment Reports

- A. Bill Cottle, Milliman Inc. - Mr. Cottle went over his quarterly report for the quarter ending 12/31/2009. He said that the Fund had earned 24.9% for the year ending 12/31/2009 and 4.9% for the quarter. He said that the Plan experienced an investment gain of approximately \$17.7 million. Mr. Cottle continued to go over his quarterly report

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- B. Bill Cottle, Milliman Inc., Rhumblin S&P ADR Index Fund - Mr. Cottle provided the Board a proposed target allocation mix that included a new 9% allocation to the Rhumblin S&P ADR Index. He recommended that the new ADR account be funded from partial liquidations from I.C.C. & the Rhumblin S&P 500 & 400 accounts. He said that, if approved, he would discuss this matter with the Administrator for immediate funding. A discussion ensued.

A motion was made by Mr. Cruz, duly seconded by Mr. Gomez, and unanimously

RESOLVED That the proposed asset allocation and funding of the new Rhumblin S&P ADR Index Fund be approved as presented by Bill Cottle, Fund Consultant.

- C. Equity manager presentations - Bart McMurry of I.C.C, David Schwartzenberger of Wentworth Hauser & Violich and Norm Meltz of Rhumblin went over their quarterly reports dated December 31, 2010.

R-4 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. Horday duly seconded by Mr. Green and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 1:05 p.m.

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James Boyd, Chairman

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Hilda Fernandez, Secretary